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Letter dated 21 December 2018 from the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) addressed to the President of the Security Council

I have the honour to transmit herewith the report of the Security Council Committee established pursuant to resolution 1718 (2006), containing an account of the Committee's activities from 1 January to 31 December 2018. The report, which was approved by the Committee, is being submitted in accordance with the note by the President of the Security Council of 29 March 1995 (S/1995/234).

I should be grateful if the present letter and the report were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Karel J.G. **van Oosterom**
Chair
Security Council Committee established pursuant to resolution 1718 (2006)

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[Original: English]

Report of the Security Council Committee established pursuant to resolution 1718 (2006)

I. Introduction

1. The present report of the Security Council Committee established pursuant to resolution 1718 (2006) covers the period from 1 January to 31 December 2018.

2. The Bureau of the Committee consisted of Karel Jan Gustaaf van Oosterom (Netherlands) as Chair and the representatives of Equatorial Guinea and Poland as Vice-Chairs.

II. Background

3. The Committee is mandated to oversee the implementation, examine and take appropriate action regarding alleged sanctions violations and make recommendations to strengthen the effectiveness of the measures adopted by the Security Council in its resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017). The measures include an arms embargo, an embargo relating to nuclear, ballistic missile and other weapons of mass destruction programmes, sectoral bans on coal, minerals and fuel, a ban on the export of luxury goods, a travel ban and/or asset freeze on designated individuals and entities, a ban on the provision of financial services, a ban on specialized teaching and training in disciplines that could contribute to prohibited activities and programmes, and cargo inspection and maritime procedures. The measures should not impede the activities of diplomatic or consular missions in the Democratic People's Republic of Korea pursuant to the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations. The Committee is further mandated to examine and take appropriate action regarding requests for exemptions relating to the sanctions measures, taking into account that they are not intended, inter alia, to have adverse humanitarian consequences for the civilian population of the Democratic People's Republic of Korea. Similarly, the Committee is to determine additional items, materials, equipment, goods and technology to be specified for the purpose of paragraphs 8 (a) (i) and (ii) of resolution 1718 (2006).

4. A panel of experts, established pursuant to resolution 1874 (2009), acts under the direction of and assists the Committee in implementing its mandate to monitor, promote and facilitate the implementation of the measures imposed in the resolutions.

5. The membership of the Panel of Experts initially consisted of seven experts, but was increased to eight experts under resolution 2094 (2013). The mandate of the Panel was renewed most recently by the Security Council in its resolution 2407 (2018).

6. Further background information on the Democratic People's Republic of Korea sanctions regime can be found in the previous annual reports of the Committee.

III. Summary of the activities of the Committee

7. The Committee met seven times in informal consultations, on 5 and 21 February, 30 April, 18 May, 20 and 24 August and 12 September, in addition to conducting its work through written procedures. The Committee also convened an open briefing, on

9 February, and organized five regional outreach meetings, on 1 and 22 June, 15 October and 5 and 19 November.

8. During the informal consultations held on 5 February, the Committee received a briefing by the Ambassador of the Russian Federation to the Democratic People's Republic of Korea and discussed its programme of work.

9. During the informal consultations held on 21 February, the Committee heard a presentation by the Panel of Experts on its final report (S/2018/171), submitted pursuant to paragraph 2 of resolution 2345 (2017).

10. During the informal consultations held on 30 April, the Committee received a briefing by the United Nations Development Programme and continued its consideration of the Panel's final report and the recommendations contained therein.

11. During the informal consultations held on 18 May, the Committee received a briefing by the Ambassador of the United Kingdom of Great Britain and Northern Ireland to the Democratic People's Republic of Korea.

12. During the informal consultations held on 20 August, the Committee discussed a note verbale dated 15 August 2018 from the Russian Federation.

13. On 24 August, the Committee held a meeting.

14. During the informal consultations held on 12 September, the Committee received an update by the Chair on current developments.

15. On 26 February, 30 May and 21 November, the Chair briefed the Security Council during closed consultations on the activities of the Committee, pursuant to paragraph 12 (g) of resolution 1718 (2006). The Council also met in closed consultations on 30 August to discuss the work of the Committee.

16. The Committee received 111 reports from Member States on the implementation of resolution 2270 (2016), 102 reports on the implementation of resolution 2321 (2016), 84 reports on the implementation of resolution 2371 (2017), 83 reports on the implementation of resolution 2375 (2017) and 66 reports on the implementation of resolution 2397 (2017).

17. On 30 March, the Committee designated 13 vessels, pursuant to paragraph 12 of resolution 2321 (2016) and paragraph 6 of resolution 2371 (2017); 2 vessels, pursuant to paragraph 8 (d) of resolution 1718 (2006) and paragraph 12 of resolution 2270 (2016); and 12 vessels, pursuant to paragraph 12 of resolution 2321 (2016) and paragraph 6 of resolution 2371 (2017).

18. On 16 October, the Committee designated three vessels, pursuant to paragraph 12 of resolution 2321 (2016) and paragraph 6 of resolution 2371 (2017).

19. On 6 August, the Committee adopted its seventh implementation assistance notice, containing guidelines for obtaining exemptions to deliver humanitarian assistance to the Democratic People's Republic of Korea, which provides additional guidance on the humanitarian exemption mechanism, as authorized in paragraph 25 of resolution 2397 (2017), in order to assist Member States and international and non-governmental organizations in carrying out humanitarian assistance activities in the Democratic People's Republic of Korea for the benefit of the civilian population and to improve the delivery of humanitarian assistance to the country.

20. The Committee also updated a number of its documents, including its implementation assistance notice containing guidelines for the preparation and submission of national implementation reports and the fact sheet on measures imposed under the relevant resolutions, which are available on the Committee's website.

21. The Committee continued to assist Member States and international organizations in implementing their obligations under the relevant Security Council resolutions. On 9 February, the Committee held an open briefing, at which the Chair provided an overview and explanation of the measures imposed under resolutions 2375 (2017) and 2397 (2017) and informed Member States about the mandate and activities of the Committee and how it could assist them in carrying out their obligations under the relevant resolutions.

22. In accordance with paragraph 44 of resolution 2321 (2016), the Committee held five regional outreach meetings, on 1 and 22 June, 15 October, 5 and 19 November, on important thematic and regional topics and the capacity challenges of Member States, in order to provide assistance to and enable more effective implementation by Member States.

23. The Committee received letters from several United Nations entities requesting confirmation that their engagement with the Democratic People's Republic of Korea, including proposals to provide technical assistance to the country, did not contravene the sanctions regime. The Committee responded to some of those requests, recalling the obligations under the relevant Security Council resolutions.

24. The Committee sent 358 communications to 132 Member States and other stakeholders with reference to the implementation of the sanctions measures.

IV. Exemptions

25. Exemptions to the arms embargo are contained in paragraph 10 of resolution 1874 (2009) and paragraph 8 of resolution 2270 (2016).

26. Exemptions to the asset freeze are contained in paragraph 9 of resolution 1718 (2006), paragraph 32 of resolution 2270 (2016) and paragraph 26 of resolution 2371 (2017).

27. Exemptions to the travel ban are contained in paragraph 10 of resolution 1718 (2006) and paragraph 10 of resolution 2094 (2013).

28. Exemptions relating to the provision of bunkering services are contained in paragraph 17 of resolution 1874 (2009).

29. Exemptions relating to proliferation networks are contained in paragraphs 13 and 14 of resolution 2270 (2016).

30. Exemptions relating to interdiction and transportation measures are contained in paragraph 21 of resolution 2270 (2016), paragraphs 8, 9 and 22 of resolution 2321 (2016), paragraphs 6 and 12 of resolution 2375 (2017) and paragraph 9 of resolution 2397 (2017).

31. Exemptions relating to the supply, sale or transfer of new or used vessels are contained in paragraph 14 of resolution 2397 (2017). Exemptions relating to the ban on providing insurance or reinsurance services to vessels are contained in paragraph 11 of the resolution. Exemptions relating to deregistering vessels are contained in paragraph 12 of resolution 2397 (2017).

32. Exemptions relating to the coal, iron and iron ore ban are contained in paragraph 8 of resolution 2371 (2017) and paragraph 16 of resolution 2397 (2017), and exemptions relating to the fuel ban (aviation, rocket and jet fuel) are contained in paragraph 31 of resolution 2270 (2016).

33. Exemptions relating to scientific and technical cooperation are contained in paragraph 11 of resolution 2321 (2016).

34. Exemptions relating to financial measures are contained in paragraph 19 of resolution 1874 (2009), paragraph 33 of resolution 2270 (2016), paragraphs 31 to 33 of resolution 2321 (2016) and paragraph 18 of resolution 2375 (2017).

35. Exemptions relating to statues and new helicopters and vessels are contained in paragraphs 29 and 30 of resolution 2321 (2016).

36. Exemptions relating to the ban on all refined petroleum products are contained in paragraph 14 of resolution 2375 (2017) and paragraph 5 of resolution 2397 (2017). Exemptions relating to the supply, sale or transfer of an excess amount of crude oil are contained in paragraph 15 of resolution 2375 (2017) and paragraph 4 of resolution 2397 (2017).

37. Exemptions relating to the ban on the supply, sale or transfer of all industrial machinery (Harmonized System codes 84 and 85), transportation vehicles (Harmonized System codes 86 to 89) and iron, steel and other metals (Harmonized System codes 72 to 83) are contained in paragraph 7 of resolution 2397 (2017).

38. Exemptions relating to the ban on seafood are contained in paragraph 9 of resolution 2371 (2017).

39. Exemptions relating to the ban on the supply, sale or transfer of textiles are contained in paragraph 16 of resolution 2375 (2017).

40. Exemptions relating to the ban on workers of the Democratic People's Republic of Korea abroad are contained in paragraph 17 of resolution 2375 (2017) and exemptions relating to the repatriation of workers are contained in paragraph 8 of resolution 2397 (2017).

41. Exemption relating to assistance and relief activities are contained in paragraph 25 of resolution 2397 (2017).

42. The Committee approved 15 requests from Member States, United Nations entities and other international organizations for exemptions, in accordance with paragraph 25 of resolution 2397 (2017). The Committee also approved a request from a Member State regarding the correspondent account prohibition set out in paragraph 31 of resolution 2321 (2016) and a request from a Member State regarding the prohibition on joint ventures or cooperative entities set out in paragraph 18 of resolution 2375 (2017).

V. Sanctions list

43. The criteria for the designation of individuals and entities as subject to the travel ban and asset freeze are set out in paragraphs 8 (d) and (e) of resolution 1718 (2006), paragraph 12 of resolution 2087 (2013) and paragraph 27 of resolution 2094 (2013). The procedures for requesting listing and delisting are described in the Committee's guidelines for the conduct of its work.

44. As at the end of the reporting period, there were 80 individuals and 75 entities on the sanctions list of the Committee.

VI. Panel of Experts

45. On 1 February, in accordance with paragraph 2 of resolution 2345 (2017), the Panel of Experts provided its final report to the Committee, which was transmitted to the Security Council on 5 March and issued as a document of the Council (S/2018/171).

46. On 19 April, following the adoption by the Security Council of resolution 2407 (2018) on 21 March, the Secretary-General appointed eight individuals to the Panel, with expertise in missile issues and other technologies, air transport, customs and export controls, finance and economics, nuclear issues, maritime transport, non-proliferation, procurement and trade, and other weapons of mass destruction and conventional arms (see S/2018/378). The mandate of the Panel expires on 24 April 2019.

47. On 25 April, in accordance with paragraph 3 of resolution 2407 (2018), the Panel presented its programme of work to the Committee. On 3 August, in accordance with paragraph 2 of the resolution, the Panel provided its midterm report to the Committee, which was transmitted to the Security Council on 7 September.

48. The Panel conducted visits to Austria, the Bahamas, Belgium, Canada, China, France, Germany, Japan, Malaysia, the Netherlands, the Republic of Korea, the Russian Federation, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States of America. The Panel also held informal consultations with government officials and national experts of Member States and with representatives of several international organizations and entities, including the Financial Action Task Force and the Stockholm International Peace Research Institute. It also participated in relevant international meetings, conferences, workshops and seminars.

49. In pursuance of its mandate, the Panel, through the Secretariat, sent 387 letters to Member States, the Committee and international and national entities.

VII. Secretariat administrative and substantive support

50. The Security Council Affairs Division provided substantive and procedural support to the Chair and the members of the Committee. Advisory support was also provided to Member States to promote understanding of the sanctions regime and facilitate the implementation of the sanctions measures. Induction briefings were also provided to incoming members of the Council to familiarize them with the specific issues relevant to the sanctions regime.

51. To support the Committee in its recruitment of well-qualified experts to serve on sanctions monitoring groups, teams and panels, a note verbale was sent to all Member States on 5 December to request the nomination of qualified candidates for membership of the roster of experts. In addition, a note verbale was sent to all Member States on 9 July notifying them of upcoming vacancies on the Panel of Experts and providing information on recruitment timelines, areas of expertise and pertinent requirements.

52. The Division continued to provide support to the Panel of Experts, conducting an induction for newly appointed members and assisting in the preparation of the Panel's final report submitted in January and its midterm report submitted in August. In August, the Secretariat circulated an updated handbook for sanctions experts, containing information to facilitate their work and to answer frequently asked questions that may arise during their term. The information is based on relevant United Nations rules and regulations, as well as practices and procedures established by the Secretariat.

53. The Secretariat continued to update and maintain the Consolidated United Nations Security Council Sanctions List and the committee-specific sanctions lists in the six official languages and the three technical formats. Furthermore, the Secretariat implemented improvements concerning the effective utilization of and access to sanctions lists, as well as the further development in English of the data model

approved in 2011 by the Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities, as requested by the Security Council in paragraph 54 of resolution 2368 (2017).